



February 24, 2012

To: Executive Board
Subject: **2012 Legislative Summary**

Recommendation

Receive and file the February 2012 Legislative Summary. There are no recommended positions on bills this month.

Analysis

A summary of state and federal legislation and its status is attached. State Controller John Chiang announced California will run out of cash by early March if the state does not take swift action to find \$3.3 billion through payment delays and borrowing. The announcement is surprising since lawmakers previously believed the state had enough cash to last through the fiscal year that ends in June. Chiang however said additional cash management solutions are needed because state tax revenues are \$2.6 billion less than what Governor Jerry Brown and state lawmakers assumed in their optimistic budget last year. Chiang said the state is spending \$2.6 billion more than state leaders planned on. Chiang, after consultation with the Department of Finance and state Treasurer Bill Lockyer, is also seeking about \$2.4 billion in delayed payments to universities, counties and Medi-Cal, as well as additional borrowing from outside investors. Absent these actions, it is estimated the state would fall below its prudent \$2.5 billion cash cushion on Feb. 29. On March 8, the state would actually end up \$730 million in the red and would be below the safe cash cushion for several weeks ending April 13. At this point, no direct impact on state transit funding is anticipated.

Exciting and problematic news from Washington, D.C. this month! Over two years and eight extensions have passed since the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU) expired on September 30, 2009. The latest extension was scheduled to expire on March 31 of this year. Major action on surface transportation authorization bills occurred this month in the House and Senate, as the House Transportation & Infrastructure (T&I) Committee and the Senate Banking, Housing, and Urban Affairs Committee each marked-up their respective authorization proposals. While the T&I Committee will lead efforts on the House proposal, other committees will have important roles in crafting financing portions of the bill. The House Ways and Means Committee, as well as the Energy and Commerce, and the Natural Resources Committees will develop separate financing titles for the bill.

The Senate voted 85-11 on a procedural motion that allows the Senate to begin debate on S. 1813, the Moving Ahead for Progress in the 21st Century (MAP-21) Bill. This vote is an important step in the process as it allows the Senate to formally begin consideration of amendments to the surface transportation authorization bill. The



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Senate will first consider amendments to the highway title of the bill and then move to the Banking Committee title which contains transit related provisions, and then to the Finance Committee title which contains the bill's financing provisions. The Senate Commerce, Science and Transportation Committee is expected to offer an amendment with provisions related to freight and passenger rail.

As the Senate progresses with their bill, the House continues to advance H.R. 7, the American Energy and Infrastructure Jobs Act of 2012. The House Ways and Means Committee approved the financing title of H.R. 7 by a vote of 20-17. This title would eliminate the Mass Transit Account (MTA) of the Highway Trust Fund (HTF), undoing 30 years of dedicated funding to public transportation from the motor vehicle fuels tax. The Ways and Means title requires that all Fiscal Year 2012 funds deposited into the MTA are to be redirected into the Highway Account of the HTF and creates a new "Alternative Transportation Account" that would provide funding for public transportation programs as well as the Congestion Mitigation and Air Quality Control (CMAQ) program, and several other programs. Additionally, the title would provide a one-time General Fund appropriation of \$40 billion to the Alternative Transportation Account.

Fortunately, a number of House members understand that a discontinuation of a dedicated revenue source for transportation creates a serious problem for our industry. A bipartisan amendment to restore the Mass Transit Account and return dedicated motor fuels tax revenues to public transportation has been offered by Representatives Nadler (D-NY), LaTourette (R-OH), Blumenauer (D-OR), Gibson (R-NY), Crowley (D-NY), Turner (R-NY), Rangel (D-NY) and Grimm (R-NY). We have been working with the American Public Transportation Association (APTA) and our House Delegation to pass this urgently needed amendment.

Financial Impact

The state cash flow situation has no direct impact to transit funding at this time. The elimination of the Federal Mass Transit Account and dedicated transportation funding would create severe funding problems for transportation nationwide

Sincerely,

David Reyno
Director of Government Relations

Doran J. Barnes
Executive Director

2012 Legislation Summary

Current as of 2/13/2012

(Amendments and Bills with updated status or requesting action are indicated in **bold)**

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 147	Dickinson	Existing law under the Subdivision Map Act authorizes cities and counties to charge developer fees to defray the costs of infrastructure improvements to support development projects. Development impact fees levied under the Subdivision Map Act are charged as a condition of approval of a final map or building permit. Current law limits the use of these fees for the mitigation of traffic impacts to bridges and major thoroughfares. AB 147 would authorize a local agency to also use this fee for transit, bicycle, and pedestrian facilities.	This bill could mean more local money provided to Foothill Transit for facility construction.	Signed by the Governor & Chaptered by the Secretary of State - 9/6/2011	CTA - Support	Support Position Adopted 3/25/2011
AB 345	Atkins	Would require the Department of Transportation (Caltrans) to ensure that any committee or formal group of the California Traffic Control Devices Committee (CTCDC) includes representation from all users of the road, including public transit, thereby improving the implementation of complete streets policies.	This bill will make certain that the interests of state public transit agencies including Foothill Transit are represented on the CTCDC.	Senate Inactive File	CTA - Support	Support Position Adopted 5/27/2011
AB 485	Ma	Would provide an optional financing mechanism to allow transit agencies greater incentives and opportunities to explore transit-oriented development (TOD) options with local governments. Furthermore, if a city or county wishes to pursue a TOD project with a local transit agency within an existing "transit village development district," they may pursue an agreement setting forth the conditions by which bonds could be issued to develop and make improvements to a specific transit station.	This bill would provide Foothill Transit greater opportunities to work with our member cities and the County to pursue transit oriented development partnerships.	Senate Committee on Governance and Finance	CTA - Support	Support Position Adopted 4/27/2011
AB 650	Blumenfield	This bill would establish the Blue Ribbon Task Force on Public Transportation for the 21st Century and would require the task force to be comprised of 12 specified members appointed by the Senate Committee on Rules and the Speaker of the Assembly by March 31, 2012. The bill would require the task force to prepare a written report that contains specified findings and recommendations relating to the current state of California's transit system, the estimated cost of creating the needed system over various terms, and potential sources of funding to sustain the transit system's needs, and to submit the report by March 31, 2013, to the Governor and other key legislative bodies.	We understand that members of the environmental community will have a role on the Task Force which brings an important voice for transit into the mix who has not been actively involved previously.	Vetoed by the Governor - 9/26/2011	CTA – Support LA Metro - Support	Support Position Adopted 3/25/2011
AB 1097	Skinner	Would require the Secretary of the Business, Transportation and Housing Agency to authorize a state or local agency receiving federal funds for transit purposes to provide a bidding preference to a bidder if the bidder meets or exceeds Buy America requirements applicable to federally funded transit projects.	Existing federal guidelines preclude state transit agencies that receive federal funds from crediting American-made products and manufacturing at a greater than 60% level unless a state Buy American provision exists in statute that is more stringent than Federal Transit Administration (FTA) standards. The State of California currently has no such preference law. By authorizing transit agencies to assign more credit to bidders that use a higher percentage of domestic content	Signed by the Governor & Chaptered by the Secretary of State - 10/2/2011	CTA – Support	Support Position Adopted 8/26/2011

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Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
SB 582	Emmerson	Existing law requires transportation planning agencies to undertake various transportation planning activities, including preparation of a regional transportation plan and also requires transportation planning agencies that are designated under federal law as metropolitan planning organizations (MPO's) to include a sustainable communities strategy as part of the regional transportation plan for their region. SB 582, beginning on January 1, 2013, would authorize a metropolitan planning organization, in partnership with the local air quality management district, to adopt a commute benefit ordinance that requires covered employers operating within the common jurisdiction of the organization and district with 20 or more covered employees to offer those employees certain commute benefits.	Additional commuter benefits could mean more potential riders on Foothill Transit's system.	Vetoed by the Governor – 8/17/2011	CTA – Support	Support Position Adopted 3/25/2011
H.R. 1380	Sullivan	The New Alternative Transportation to Give Americans Solutions Act of 2011 is designed to promote a switch over from petroleum-based fuels to natural gas for transportation. The bill would provide a variety of tax breaks to transit agencies, trucking companies, vehicle owners and vehicle manufacturers to transition from gasoline and diesel to natural gas and provide approximately \$5 billion in subsidies over a five year period. Transit agency tax breaks would include amending the Internal Revenue Code to allow an excise tax credit through 2016 for alternative fuels and fuel mixtures involving compressed or liquefied natural gas.	The extension of the alternative fuels excise tax credit until 2016 would provide Foothill Transit with an ongoing operating funding source for the next five years.	House Committee on Energy and Commerce	Clean Energy	Support